## REMARKS

Claim 2 remains in this application and has been amended via the present amendment.

In the Office Action dated July 30, 2004, the Examiner rejected independent claim 2 of the present application under 35 U.S.C. §103(a) as being unpatentable over Morris (U.S. Patent No. 6,184,787) in view of Rao et al. (U.S. Patent No. 6,169,789). For the following reasons, Applicant respectfully traverses the Examiner's rejection and respectfully requests the withdrawal thereof.

To summarize, the Examiner stated that the Morris reference disclosed all of the elements of independent claim 2 except for that of "allocating a unique appliance identification to the at least one appliance." However, the Examiner turned to the Rao reference for such teaching and concluded that it would have been obvious to one of ordinary skill in the art at the time of the invention to provide the teaching of Rao to Morris "so that all the appliances and peripherals in the system will subscribe to the same protocols such that they will be able to communicate with each other and to execute instructions as suggested by Rao."

First of all, independent claim 2 of the present application has been amended merely to correct minor editorial/grammatical errors. Such amendment is intended for clarification purposes only and not for substantial reasons related to patentability pursuant to 35 U.S.C. §§102 or 103. Such amendment does correct the error pointed out by the Examiner in paragraph 1 of the Office Action, based on which the Examiner rejected claim 2 under 35 U.S.C. §112.

Applicant respectfully submits that the Morris reference fails as a prima facie reference for at least the following reasons.

First of all, the "controller" disclosed in Morris is not a "telecommunications terminal" as with the claimed invention. In addition, the overhead garage door position monitoring system disclosed in Morris is not "contained in a local area network" as per the claimed invention. Indeed, Applicant respectfully submits that the system disclosed in Morris is nothing more than a simply home automation system as discussed, for example, in the background section of the present application.

Moreover, the system disclosed in Morris does not teach or suggest:

a) the first spoken phrase is selected as the output phrase for a first status which is identified by a first value of the data word;

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b) the second spoken phrase is selected as the output phrase for a second status which is identified by a second value of the data word; and

c) both the third spoken phrase and a third value of the data word, which is being converted for voice output and differs from the first and second

values, are selected as the output phrase for at least one third status, which is identified by the third value of the data word.

Conversely, Morris merely discloses that the various statuses are respectively identified by different data words' respective signals. With respect to the at least one third status, Morris only teaches to select a designated spoken phrase for the at least one third status, and not both the

third spoken phase and a third value of the data word as per the claimed invention.

In light of the above, Applicant respectfully submits that independent claim 2 of the present application, as amended, is both novel and non-obvious over the art of record. Accordingly, Applicant respectfully requests that a timely Notice of Allowance be issued in this

case.

It is further acknowledged that a two-month extension of time of \$450.00 is due in connection with this response at this time. If any additional fees are due in connection with this Application as a whole, the office is hereby authorized to deduct said fees from deposit account number 02-1818. If such a deduction is made, please indicate the Attorney Docket No. (0112740-552) on the account statement.

Respectfully submitted,

BY

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